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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking to Enhance the
Role of Demand Response in Meeting the State's
Resource Planning Needs and Operational
Requirements.

R.13-09-011
(Filed September 19, 2013)

SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) REPLY COMMENTS TO
ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING RESPONSES TO
ADDITIONAL QUESTIONS IN REGARD TO 2018 AND BEYOND DEMAND
RESPONSE PROGRAMS

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Dated: **July 15, 2016**

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I.

INTRODUCTION

Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), and in compliance with Administrative Law Judge's (ALJ) Ruling Requesting Responses to Additional Questions in Regard to 2018 and Beyond Demand Response Programs, issued on May 20, 2016 (Ruling), Southern California Edison (SCE) respectfully submits these reply comments to various parties' opening comments in response to the Ruling.¹

¹ In addition to SCE, the following parties filed opening comments on July 1, 2016: the Office of Ratepayer Advocates (ORA); The Utility Reform Network (TURN); San Diego Gas & Electric Company (SDG&E); California Energy Storage Alliance (CESA); NRG Energy, Inc. (NRG); OhmConnect, Inc. (OhmConnect); California Large Energy Consumers Association (CLECA); Nest Labs, Inc. (Nest); Sierra Club; OPower, Inc. (OPower); California Independent System Operator (CAISO); Environmental Defense Fund (EDF); Pacific Gas & Electric Company (PG&E); Clean Coalition; Advanced Microgrid Solutions (AMS); and Comverge, Inc., CPower, EnerNOC, Inc., and EnergyHub (collectively the Joint DR Parties).

II.

SCE'S REPLY TO PARTIES' OPENING COMMENTS

A. Customer-Specific Data Can Only Be Released With Customer Consent

Several parties, including Joint DR Parties, CESA, EDF, ORA, and OhmConnect, request greater and more streamlined access to customer data by third parties.² OhmConnect suggests that the IOUs establish a web portal to allow customers to release data to an independent third party.³ ORA also recommends that “utilities should create databases of customers within each sector with eligible end-uses that have large potential load reduction, and a propensity to participate and make such information available to third party DR providers.”⁴ Other parties have sought anonymized data by ZIP code.⁵ However, SCE has an obligation to maintain the confidentiality of its customer-specific information, including the customer’s personally identifiable information (PII) and energy usage data, and may only provide such information to third parties with the customer’s consent.⁶ In that regard, several options for obtaining customer consent to release such information to third parties are currently in place, including the Authorization to Receive Customer Information or Act on a Customer’s Behalf (CISR) form (SCE Tariff Form 14-796), the Authorization or Revocation of Authorization to Receive Customer Information form (SCE Tariff Form 14-929), and the Green Button process.⁷ There is

² Joint DR Parties Opening Comments at p. 16; CESA Opening Comments at pp.11; EDF Opening Comments at p. 3; ORA Opening Comments at pp. 4-5; OhmConnect Opening Comments at p. 4.

³ OhmConnect Opening Comments at p. 4.

⁴ ORA Opening Comments at pp. 4-5.

⁵ EDF Opening Comments at p. 3; OhmConnect Opening Comments at pp. 4-5.

⁶ See, e.g., Cal. Civ. Code §§ 1798.81 – 1798.85, Cal. Pub. Util. Code §8380, D.90-12-121, D.00-07-020, D.11-07-056, & SCE Tariff Rule 25.

⁷ SCE’s Tariff Forms are available online at <http://on.sce.com/29IbTZN> [as of July 11, 2016]. The Green Button initiative is an industry-led effort that responded to a White House call-to-action to provide utility customers with easy and secure access to their energy usage information in a consumer-

insufficient evidence in the record of this proceeding to support a decision that allows third-party demand response providers to circumvent the established privacy rules and receive such information without customer consent.

B. The Commission Should Adopt SCE's Alternative Back-Up Generation (BUG) Proposal

Sierra Club recommends that the Commission adopt the BUG monitoring and enforcement provisions in the Energy Division September 2015 Staff Proposal.⁸ Sierra Club also asserts that the Staff Proposal “will not impose an undue burden on demand response participants.”⁹ As SCE stated in its comments on the Staff Proposal, the proposal would impose an undue burden on the thousands of customers that could fall under the Staff Proposal’s scope.¹⁰ For example, customers may have to install expensive metering on the BUG unit or they may have to accept a smaller DR payment just because they own a BUG unit, whether they used it during a DR event or not.¹¹ Further, hundreds of thousands of residential customers on the Summer Discount Plan (SDP) should not have to attest that they do not use BUGs because the SDP device interrupts power to the main air conditioning (AC) unit; even using a BUG unit will not allow the AC unit to begin working. It is unclear what effect these added burdens will have on DR participation.¹² In addition, there is added burden for the IOUs who will have to incur costs to enforce the BUG rules.¹³ There is also added burden for ratepayers who will have to

friendly and computer-friendly format (*see* <http://energy.gov/data/green-button>). As part of the Green Button initiative, SCE’s customers can choose to share their usage data with authorized third parties who have registered with SCE and have completed systems connectivity testing, pursuant to SCE Tariff Rule 26.

⁸ Sierra Club Opening Comments at p. 1.

⁹ *Id.* at p. 4.

¹⁰ SCE’s Comments and Responses to Administrative Law Judge’s Ruling Inviting Comments on Staff Proposal Regarding the Use of Fossil-Fueled Back-Up Generation in Demand Response Programs (BUG Ruling), in R.13-09-011 at p. 5 (filed October 15, 2015).

¹¹ *Id.* at p. 8.

¹² *Id.*

¹³ *Id.* at p. 5 and p. 10.

fund the additional costs for the IOUs to enforce the new regulatory requirements,¹⁴ which are largely redundant with existing regulations from air quality management districts.¹⁵ Instead of adopting the Staff Proposal, the Commission should adopt SCE's alternate BUG proposal which was presented at the January 13, 2016 workshop on BUG.¹⁶

C. SCE Is Administering the Demand Response Auction Mechanism in Alignment with Commission Rules and Intent

EDF expressed concerns that "the utilities may not be running the competitive solicitation for DRAM in a way that follows the spirit of the Commission's intent."¹⁷ However, EDF's statement is not only speculative, but is also not supported by any evidence in the record of this proceeding. SCE has been administering the DRAM solicitations according to Commission guidance and rules, and has engaged the Commission staff and the Procurement Review Group (PRG) throughout the process. SCE has not received any feedback from the Commission, the Commission staff, or the PRG that its competitive solicitation process for DRAM is contrary to the Commission's intent.

D. The Commission Should Evaluate Potential Metrics in a Workshop

Several parties, including OhmConnect, NRG, Nest, Opower, and TURN suggested several characteristics and metrics by which the Commission should measure various aspects of DR.¹⁸ In order to facilitate a robust discussion, SCE suggests that the Commission sponsor a workshop focused on performance aspects of DR, the metrics by which these aspects can be evaluated, and how to prioritize these metrics.

¹⁴ SCE estimated its cost for the first year of implementing the Staff Proposal are \$4.3 million.

¹⁵ SCE's Comments on BUG Ruling, at p. 8.

¹⁶ SCE also served its alternate proposal to the service list of R.13-09-011 on January 12, 2016.

¹⁷ EDF Opening Comments at p. 10.

¹⁸ OhmConnect Opening Comments at p. 3; NRG Opening Comments at pp. 1-3; Nest Labs Opening Comments at p. 4; Opower Opening Comments at p. 7; TURN Opening Comments at pp. 13-14.

III.

CONCLUSION

SCE appreciates the opportunity to provide these reply comments to certain parties' opening comments and respectfully requests the Commission to adopt SCE's proposals as stated in its Opening Comments.

Respectfully submitted,

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